

July 9, 2001

Frances L. Smith, Esq.  
Board Secretary  
Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

Re: **In the Matter of the Filings of the  
Comprehensive Resource Analysis of Energy  
Programs  
Docket Nos. EX99050347, EO99050348,  
EO99050349, EO99050350, EO99050351,  
GO99050352, GO99050353, GO99050354  
Program Compliance Filing Supplement 1**

Dear Secretary Smith:

Atlantic City Electric Company, doing business as Conectiv Power Delivery, Jersey Central Power & Light Company, doing business as GPU Energy, New Jersey Natural Gas Company, NUI Elizabethtown Gas Company, Public Service Electric and Gas Company, Rockland Electric Company, and South Jersey Gas Company (collectively, hereinafter referred to as the "New Jersey Utilities"), hereby jointly file with the Board of Public Utilities (the "Board") this Supplement 1 to the Program Compliance Filing ("Supplement 1"). The New Jersey Utilities had filed the Program Compliance Filing with the Board on April 9, 2001.

Supplement 1, a collaborative effort by the New Jersey Utilities and the Natural Resources Defense Council, is being filed in accord with the commitment made in the April 9, 2001 Filing to provide specific plans and proposals regarding program evaluation, cost-effectiveness analysis, energy savings protocols, reporting formats and program performance incentives. This Supplement 1 includes five separate Attachments as follows:

- 1) Energy and Economic Assessment of Energy Efficiency Programs (Cost Effectiveness);
- 2) Protocols to Measure Resource Savings;
- 3) Program Evaluation Plan;
- 4) Regulatory

Reporting; and 5) Performance Incentives. These Attachments provide supporting information and/or analyses for the 2001 Statewide Clean Energy Program Plans and Budgets filed with the BPU on April 9.

Attachments 2 and 5 provide information to be used to support future cost recovery requests. Attachment 2 provides the proposed protocols to calculate program energy savings. This information is needed to calculate lost margin revenues. Attachment 5 provides the proposed metrics and structure of performance incentives to be requested in 2002 for successful program performance in 2001.

The New Jersey Utilities respectfully request the Board's approval of the Compliance Filing as referenced in their April 9, 2001 letter and its approval of Attachments 2 and 5 herein to the Program Compliance Filing Supplement 1.

Kindly place one of the eighteen copies of the enclosed Supplement 1 in each of the above referenced Utilities' individual dockets and stamp one copy of this transmittal letter "filed" and return to Richard Fryling, Jr., Esq., attorney for Public Service Electric and Gas Company, in the envelope provided.

Respectfully submitted,

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